100TH CONGRESS
1st Session

SENATE

REPORT
100-76

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1988

JUNE 18, 1987.—Ordered to be printed

Mr. CHILES, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. Con. Res. 93]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. Con. Res. 93) setting forth the Congressional Budget for the United States Government for the fiscal years 1988, 1989, and 1990, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter to be inserted by the Senate amendment insert the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1988 is established and the appropriate budgetary levels for fiscal years 1989 and 1990 are set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1988: $932,800,000,000.

91-010

S253-2

Fiscal year 1989: $993,950,000,000.
Fiscal year 1990: $1,066,750,000,000.

(2) The appropriate levels of total budget authority are as follows:

Fiscal year 1988: $1,153,200,000,000.
Fiscal year 1989: $1,217,900,000,000.
Fiscal year 1990: $1,261,600,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1988: $1,040,800,000,000.
Fiscal year 1989: $1,083,850,000,000.
Fiscal year 1990: $1,117,050,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1988: $108,000,000,000.
Fiscal year 1989: $89,900,000,000.
Fiscal year 1990: $50,300,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1987, October 1, 1988, and October 1, 1989:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1988: $692,300,000,000.
Fiscal year 1989: $732,300,000,000.
Fiscal year 1990: $779,800,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1988: $21,150,000,000.
Fiscal year 1989: $24,950,000,000.
Fiscal year 1990: $26,100,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1988: $59,700,000,000.
Fiscal year 1989: $63,850,000,000.
Fiscal year 1990: $68,950,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1988: $912,700,000,000.
Fiscal year 1989: $956,100,000,000.
Fiscal year 1990: $974,300,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1988: $836,200,000,000.
Fiscal year 1989: $868,200,000,000.
Fiscal year 1990: $888,300,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1988: $144,000,000,000.
Fiscal year 1989: $135,800,000,000.
Fiscal year 1990: $108,500,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1988: $2,565,100,000,000.

Fiscal year 1989: $2,777,100,000,000.
Fiscal year 1990: $2,964,200,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1987, October 1, 1988, and October 1, 1989, are as follows:

Fiscal year 1988:

(A) New direct loan obligations, $34,600,000,000.
(B) New primary loan guarantee commitments, $156,700,000,000.
(C) New secondary loan guarantee commitments, $100,600,000,000.

Fiscal year 1989:

(A) New direct loan obligations, $33,550,000,000.
(B) New primary loan guarantee commitments, $150,550,000,000.
(C) New secondary loan guarantee commitments, $97,600,000,000.

Fiscal year 1990:

(A) New direct loan obligations, $32,450,000,000.
(B) New primary loan guarantee commitments, $158,300,000,000.
(C) New secondary loan guarantee commitments, $94,600,000,000.

(b) The Congress hereby determines and declares that the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1988 through 1990 for each major functional category are:

(1) National Defense (050):

Fiscal year 1988:

(A) New budget authority, $296,000,000,000.
(B) Outlays, $289,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $303,700,000,000.
(B) Outlays, $292,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $311,000,000,000.
(B) Outlays, $299,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1988:

(A) New budget authority, $16,200,000,000.
(B) Outlays, $16,100,000,000.
(C) New direct loan obligations, $6,700,000,000.

(D) New primary loan guarantee commitments, $9,100,000,000.

(E) New secondary loan guarantee commitments, $300,000,000.

Fiscal year 1989:

(A) New budget authority, $21,700,000,000.

(B) Outlays, $15,250,000,000.

(C) New direct loan obligations, $7,000,000,000.

(D) New primary loan guarantee commitments, $9,450,000,000.

(E) New secondary loan guarantee commitments, $300,000,000.

Fiscal year 1990:

(A) New budget authority, $18,450,000,000.

(B) Outlays, $15,200,000,000.

(C) New direct loan obligations, $7,200,000,000.

(D) New primary loan guarantee commitments, $9,900,000,000.

(E) New secondary loan guarantee commitments, $300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1988:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $15,000,000,000.

(B) Outlays, $14,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1988:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,550,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $7,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $5,050,000,000.

(B) Outlays, $4,150,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $50,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $4,650,000,000.

(B) Outlays, $4,250,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $50,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1988:

(A) New budget authority, $15,900,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $16,450,000,000.

(B) Outlays, $16,150,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $16,850,000,000.

(B) Outlays, $17,250,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1988:

(A) New budget authority, $29,450,000,000.

(B) Outlays, $28,600,000,000.

(C) New direct loan obligations, $17,450,000,000.

(D) New primary loan guarantee commitments, $8,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $29,950,000,000.

(B) Outlays, $26,100,000,000.

(C) New direct loan obligations, $16,200,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $25,550,000,000.

(B) Outlays, $22,350,000,000.

(C) New direct loan obligations, $15,000,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1988:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $7,800,000,000.

(C) New direct loan obligations, $4,000,000,000.

(D) New primary loan guarantee commitments, $91,650,000,000.

(E) New secondary loan guarantee commitments, $100,300,000,000.

Fiscal year 1989:

(A) New budget authority, $12,050,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $4,100,000,000.

(D) New primary loan guarantee commitments, $93,900,000,000.

(E) New secondary loan guarantee commitments, $97,600,000,000.

Fiscal year 1990:

(A) New budget authority, $15,350,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $4,100,000,000.

(D) New primary loan guarantee commitments, $98,750,000,000.

(E) New secondary loan guarantee commitments, $94,300,000,000.

(8) Transportation (400):

Fiscal year 1988:

(A) New budget authority, $29,200,000,000.

(B) Outlays, $28,259,000,000.

(C) New direct loan obligations, $400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $29,500,000,000.

(B) Outlays, $27,850,000,000.

(C) New direct loan obligations, $250,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $30,200,000,000.

(B) Outlays, $27,650,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1988:

(A) New budget authority, $7,500,000,000.

(B) Outlays, $6,600,000,000.

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $350,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $7,650,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $350,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $7,800,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $1,150,000,000.

(D) New primary loan guarantee commitments, $350,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1988:

(A) New budget authority, $36,450,000,000.

(B) Outlays, $32,900,000,000.

(C) New direct loan obligations, $1,650,000,000.

(D) New primary loan guarantee commitments, $9,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $38,050,000,000.

(B) Outlays, $35,700,000,000.

(C) New direct loan obligations, $1,650,000,000.

(D) New primary loan guarantee commitments, $9,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $39,250,000,000.

(B) Outlays, $37,500,000,000.

(C) New direct loan obligations, $1,650,000,000.

(D) New primary loan guarantee commitments, $9,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1988:

(A) New budget authority, $45,650,000,000.

(B) Outlays, $44,850,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $49,750,000,000.

(B) Outlays, $49,450,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $54,200,000,000.

(B) Outlays, $53,700,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $350,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):
Fiscal year 1988:
(A) New budget authority, $92,850,000,000.
(B) Outlays, $81,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $102,300,000,000.
(B) Outlays, $89,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $113,050,000,000.
(B) Outlays, $99,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1988:
(A) New budget authority, $168,600,000,000.
(B) Outlays, $131,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $176,650,000,000.
(B) Outlays, $139,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $183,150,000,000.
(B) Outlays, $144,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1988:
(A) New budget authority, $4,700,000,000.
(B) Outlays, $4,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $5,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1988:

(A) New budget authority, $27,900,000,000.

(B) Outlays, $27,350,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $30,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $28,150,000,000.

(B) Outlays, $27,550,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $28,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $28,250,000,000.

(B) Outlays, $27,900,000,000.

(C) New direct loan obligations, $900,000,000.

(D) New primary loan guarantee commitments, $30,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1988:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $9,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $9,550,000,000.

(B) Outlays, $9,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1990:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,550,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1988:

(A) New budget authority, $7,700,000,000.

(B) Outlays, $7,150,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $7,650,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments. $0.
Fiscal year 1990:
(A) New budget authority, $7,850,000,000.
(B) Outlays, $7,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1988:
(A) New budget authority, $1,800,000,000.
(B) Outlays, $1,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $1,850,000,000.
(B) Outlays, $1,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1988:
(A) New budget authority, $145,500,000,000.
(B) Outlays, $145,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $151,800,000,000.
(B) Outlays, $151,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $156,100,000,000.
(B) Outlays, $156,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1988:
(A) New budget authority, —$700,000,000.
(B) Outlays, —$700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, —$300,000,000.

(B) Outlays, —$550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $350,000,000.
(B) Outlays, $50,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
(A) Fiscal year 1988:
(A) New budget authority, —$35,350,000,000.
(B) Outlays, —$42,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, —$36,150,000,000.
(B) Outlays, —$36,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $37,150,000,000.
(B) Outlays, $37,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(B) Fiscal year 1988:
(A) New budget authority, $14,650,000,000.
(B) Outlays, $14,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $18,150,000,000.
(B) Outlays, $18,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1990:
(A) New budget authority, $32,350,000,000.
(B) Outlays, $32,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 4. (a) Not later than July 28, 1987, the committees named in subsections (b) through (s) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on

the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $7,218,000,000 in contributions, $1,330,000,000 in budget authority and $1,330,000,000 in outlays in fiscal year 1988, $788,000,000 in contributions, $1,730,000,000 in budget authority and $1,730,000,000 in outlays in fiscal year 1989, and $788,000,000 in contributions, $2,778,000,000 in budget authority and $2,778,000,000 in outlays in fiscal year 1990.

(c) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1988, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1989, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990.

(d) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $394,000,000 in budget authority and $376,000,000 in outlays in fiscal year 1988, $394,000,000 in budget authority and $391,000,000 in outlays in fiscal year 1989, and $94,000,000 in budget authority and $93,000,000 in outlays in fiscal year 1990.

(e) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $170,000,000 in budget authority and $170,000,000 in outlays in fiscal year 1988, $280,000,000 in budget authority and $280,000,000

in outlays in fiscal year 1989, and $280,000,000 in budget authority and $280,000,000 in outlays in fiscal year 1990.

(f) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $150,000,000 in budget authority and $150,000,000 in outlays in fiscal year 1988, $150,000,000 in budget authority and $150,000,000 in outlays in fiscal year 1989, and $150,000,000 in budget authority and $150,000,000 in outlays in fiscal year 1990.

(g)(1) The Senate Committee on Finance shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,600,000,000 in outlays in fiscal year 1988, $0 in budget authority and $3,150,000,000 in outlays in fiscal year 1989, and $0 in budget authority and $4,450,000,000 in outlays in fiscal year 1990.

(2) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $19,300,000,000 in fiscal year 1988, $22,000,000,000 in fiscal year 1989, and $23,000,000,000 in fiscal year 1990.

(3) The Senate Committee on Finance shall report changes in laws to increase the statutory limit on the public debt to an amount not to exceed $2,565,100,000,000.

(h) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1988, $1,752,000,000 in budget authority and $1,782,000,000 in outlays in fiscal year 1989, and $3,253,000,000 in budget authority and $3,357,000,000 in outlays in fiscal year 1990.

(i) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $100,000,000 in outlays in fiscal year 1988, $0

in budget authority and $200,000,000 in outlays in fiscal year 1989, and $0 in budget authority and $200,000,000 in outlays in fiscal year 1990.

(j) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1988, $30,000,000 in budget authority and $30,000,000 in outlays in fiscal year 1989, and $0 in budget authority and $10,000,000 in outlays in fiscal year 1990.

HOUSE COMMITTEES

(k) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $7,218,000,000 in contributions, $1,240,000,000 in budget authority and $8,548,000,000 in outlays in fiscal year 1988, $788,000,000 in contributions, $987,000,000 in budget authority and $942,000,000 in outlays in fiscal year 1989, $788,000,000 in contributions, and $2,036,000,000 in budget authority and $1,990,000,000 in outlays in fiscal year 1990.

(l) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $94,000,000 in budget authority and $76,000,000 in outlays in fiscal year 1988, $94,000,000 in budget authority and $91,000,000 in outlays in fiscal year 1989, and $94,000,000 in budget authority and $93,000,000 in outlays in fiscal year 1990.

(m) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1988, $200,000,000 in budget authority and

$200,000,000 in outlays in fiscal year 1989, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990.

(n) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $100,000,000 in outlays in fiscal year 1988, $0 in budget authority and $200,000,000 in outlays in fiscal year 1989, and $0 in budget authority and $200,000,000 in outlays in fiscal year 1990.

(o) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $590,000,000 in budget authority and $2,090,000,000 in outlays in fiscal year 1988, $700,000,000 in budget authority and $3,650,000,000 in outlays in fiscal year 1989, and $400,000,000 in budget authority and $4,650,000,000 in outlays in fiscal year 1990.

(p) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $180,000,000 in budget authority and $180,000,000 in outlays in fiscal year 1988, $180,000,000 in budget authority and $180,000,000 in outlays in fiscal year 1989, and $180,000,000 in budget authority and $180,000,000 in outlays in fiscal year 1990.

(q) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1988, $1,752,000,000 in budget authority and $1,782,000,000 in outlays in fiscal year 1989, and $3,253,000,000 in budget authority and $3,357,000,000 in outlays in fiscal year 1990.

(r) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction

which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (3) any combination thereof, as follows: $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1988, $30,000,000 in budget authority and $30,000,000 in outlays in fiscal year 1989, and $0 in budget authority and $10,000,000 in outlays in fiscal year 1990.

(s)(1) The House Committee on Ways and Means shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,600,000,000 in outlays in fiscal year 1988, $0 in budget authority and $3,150,000,000 in outlays in fiscal year 1989, and $0 in budget authority and $4,450,000,000 in outlays in fiscal year 1990.

(2) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $19,300,000,000 in fiscal year 1988, $22,000,000,000 in fiscal year 1989, and $23,000,000,000 in fiscal year 1990.

FUNDING FOR DEFENSE

SEC. 5. (a)(1) The following amounts of new budget authority and budget outlays for fiscal year 1988, 1989, and 1990 are hereby reserved for subsequent allocation under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974:

Function 050 (National Defense)

Fiscal year 1988:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $5,900,000,000.

Fiscal year 1989:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $4,300,000,000.

Fiscal year 1990:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $7,200,000,000.

Function 900 (Net Interest)

Fiscal year 1988:

(A) New budget authority, $200,000,000.

(B) Outlays, $200,000,000.

Fiscal year 1989:

(A) New budget authority, $550,000,000.

(B) Outlays, $550,000,000.

Fiscal year 1990:

(A) New budget authority, $1,000,000,000.

(B) Outlays, $1,000,000,000.

(2) Pursuant to this subsection, the levels available for Function 050 are as follows:

Fiscal year 1988:

(A) New budget authority, $289,000,000,000.

(B) Outlays, $283,600,000,000.

Fiscal year 1989:

(A) New budget authority, $294,800,000,000.

(B) Outlays, $288,000,000,000.

Fiscal year 1990:

(A) New budget authority, $297,900,000,000.

(B) Outlays, $292,000,000,000.

(b) For purposes of section 311(a) of the Congressional Budget and Impoundment Control Act of 1974, the appropriate levels of total new budget authority and total budget outlays for fiscal year 1988 shall be considered to be the following:

Fiscal year 1988 Budget Authority $1,146,000,000,000.

Fiscal year 1988 Budget Outlays $1,034,700,000,000.

Provided, however, That if a revised allocation is made pursuant to subsections (c) and (d) then such levels shall be adjusted accordingly in any report pursuant to such subsections.

(c) The amounts in subsection (a)(1) withheld from allocation in fiscal year 1988 for function 050 (National Defense) and Function 900 (Net Interest) shall be allocated when a reconciliation bill containing the legislative provisions required by section 4(g) and 4(s) of this resolution is enacted into law.

(d) Upon the enactment of such reconciliation bill, the Chairmen of the Committees on the Budget shall file with their respective Houses revised allocations under section 302(a) of such Act of new budget authority and outlays to their respective Committee on Appropriations reflecting the full amount as set forth in section 3(b)(1) of this resolution.

DEFICIT REDUCTION ACCOUNT

SEC. 6. (a) It is assumed that as a procedure appropriate to carry out the purposes of the Congressional Budget and Impoundment Act of 1974 (within the meaning of section 301(b)(4) of such Act), the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives would, as an integral part of the changes in law reported pursuant to sections 4(g) and 4(s) of this concurrent resolution, report legislation to—

(1) establish a separate account in the Treasury into which the amounts by which the aggregate levels of Federal revenues should be increased as set forth in section 3(a)(1) of this resolution as well as contributions resulting from the changes in law reported pursuant to sections 4(b) and 4(k) of this resolution would be deposited,

(2) ensure that any revenues deposited in such account would not be available for appropriation, and

(3) provide that any such revenues deposited in such account would be used to retire outstanding debt obligations of the United States Government.

(b) Legislation reported pursuant to subsections (a) shall not be considered to be extraneous for purposes of section 20001 of the Consolidated Omnibus Reconciliation Act of 1985 (as amended by section 7006 of the Omnibus Budget Reconciliation Act of 1986) or Senate Resolution 509 (99th Congress, 2d Session).

SALE OF GOVERNMENT ASSETS

SEC. 7. (a) It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to non-government buyers; and

(2) the amounts realized from such sales will not recur on an annual basis and do not reduce the demand for credit.

(b) The amounts to be realized from such sales not previously authorized by law shall not be treated as revenues, receipts, or negative outlays—

(1) for purposes of determining, in accordance with sections 301(i) and 311(a) of the Congressional Budget and Impoundment Control Act of 1974, as added by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded;

(2) for purposes of other points of order under section 311 of the Congressional Budget and Impoundment Control Act of 1974;

(3) for purposes of reconciliation under section 310 of the Congressional Budget and Impoundment Control Act of 1974; or

(4) for purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974.

(c) The prepayment described in section 8 of this resolution shall not be considered as an amount realized from the sale of an asset within the meaning of this section.

BUDGETARY TREATMENT OF LEGISLATION AUTHORIZING THE PREPAYMENT OF CERTAIN LOANS

SEC. 8. For purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974—contributions resulting from legislation authorizing the United States Government to waive the prepayment premium on certain government loans guaranteed by an agency and advanced by the Federal Financing Bank and allows repayment with new government guaranteed loans shall not be allocated to committee and shall not be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of such act.

FUNDING FOR WELFARE REFORM AND MEDICARE CATASTROPHIC INSURANCE INITIATIVES

SEC. 9. (a) It would be appropriate for the House Committee on Ways and Means to increase outlays in fiscal years 1988, 1989, and 1990 for programs within the jurisdiction of that committee and not assumed in section 3 of this resolution if that committee reports changes in laws within its jurisdiction which increase revenues or reduce outlays in such fiscal years by amounts sufficient to ensure that the increased outlays for such programs would not increase the deficits set forth in such section.

(b)(1) In the Senate, of the amounts specified in section 3 of this resolution, budget authority and outlays in amounts not to exceed the amounts specified in subsection (b)(2) for fiscal year 1988, shall be allocated to the appropriate committees of the Senate to provide

for the child care and job training initiative when the appropriate committees of the Senate have reported legislation that will, if enacted, make funds available for such initiative.

(2)(A) The amounts available for allocation under subsection (b)(1) for funding for child care for fiscal year 1988 shall not exceed $150,000,000 of new budget authority and $110,000,000 of outlays.

(B) The amounts available for allocation under subsection (b)(1) for funding for job training for fiscal year 1988 shall not exceed $900,000,000 of new budget authority and $300,000,000 of outlays.

(3) Upon the reporting of legislation pursuant to subsection (b)(1), and again upon the submission of a conference report on such legislation, if such a conference report is submitted, the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974. If the conference report on such legislation, if any, contains levels of funding in excess of those set forth in subsection (b)(2) of this section, then upon the submission of such conference report, the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised aggregates. Such revised allocations and aggregates shall be considered for the purposes of such Act as allocations and aggregates contained in this resolution, and the appropriate committees of the Senate shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1988 to carry out this section.

(c)(1) In the Senate, budget authority and outlays for fiscal year 1988 shall be allocated to the appropriate committees of the Senate to provide for the medicare catastrophic health insurance initiative, and the aggregates for fiscal years 1988, 1989, and 1990, in sections 2 and 3 of this resolution shall be adjusted accordingly, when—

(A) legislation has been reported that will, if enacted, ensure that any legislation providing for any such additional funding will not increase the deficits for fiscal years 1988, 1989, and 1990 above the levels set forth in sections 2 and 3 of this resolution; and

(B) the appropriate committees of the Senate have reported legislation that will, if enacted, make funds available for such initiative.

(2) Upon the reporting of legislation pursuant to subsection (c)(1), and again upon the submission of a conference report on such legislation, if such a conference report is submitted, the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the appropriate committees of the Senate shall report revised allocations pursuant to section 302(b) of such Act for fiscal year 1988 to carry out this section.

MEDICARE SAVINGS

SEC. 10. It is assumed that the Committee on Finance of the Senate and the Committees on Ways and Means and Energy and

Commerce of the House of Representatives would achieve Medicare savings as specified in this resolution without increasing premiums or deductibles or delaying eligibility or otherwise raising beneficiary out-of-pocket costs.

SENSE OF SENATE ON INCOME TAX RATES

SEC. 11. (a) FINDINGS.—The Senate finds—

(1) the Tax Reform Act of 1986 was enacted only after nearly two years of congressional study and deliberation,

(2) the most fundamental principle of tax reform has been the reduction or elimination of special tax benefits in order to reduce tax rates for all taxpayers, and

(3) taxpayers have a right to expect Congress to hold to its promise to reduce tax rates in return for elimination of special tax benefits, rather than to use tax reform as a disguised effort to raise taxes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the revenue levels of this budget resolution will not be achieved by either raising or delaying the individual or corporate income tax rates provided in the Tax Reform Act of 1986.

RURAL HOSPITALS MEDICARE PROGRAMS

SEC. 12. It is the sense of the Congress that, in enacting any legislation that amends the Medicare Program to reconcile its expenditures with those required under a congressional concurrent resolution on the Federal budget for fiscal year 1988 and subsequent years, there should be taken into account the special needs of rural hospitals which are not currently taken into account under the Medicare Hospital Prospective Payment System.

SECTION 302(A) ALLOCATION IN THE HOUSE

SEC. 13. The Chairman of the Committee on the Budget of the House of Representatives may file, not later than July 1, 1987, a report in the House containing the allocations required to be made pursuant section 302(a) of the Congressional Budget Act of 1974. The report shall be printed as, and considered to be, a report of the Committee on the Budget and such allocations made in that report shall be considered to be the allocations required to be in the joint explanatory statement accompanying this resolution.

And the Senate agree to the same.

LAWTON CHILES,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
JIM SASSER,
DONALD W. RIEGLE, Jr.,
J. JAMES EXON,
Managers on the Part of the Senate.

WILLIAM H. GRAY III,
THOMAS S. FOLEY,
MIKE LOWRY,
BUTLER DERRICK,
MARTIN FROST,
VIC FAZIO,
MARTY RUSSO,
JAMES L. OBERSTAR,
MIKE ESPY,
Managers of the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 93) setting forth the congressional budget for the United States Government for the fiscal years 1988, 1989, and 1990, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

EXPLANATION OF CONFERENCE AGREEMENT

The following tables show the functional allocations and budget aggregates included in the conference agreement. The fiscal year 1988 columns show the budget aggregates and functional allocations for the budget resolution for fiscal year 1988. The columns for fiscal year 1989 and fiscal year 1990 show budget aggregates and functional allocations which the conferees consider appropriate for those years.

Conference agreement

[Dollars in billions]

Fiscal year 1988:	
Budget authority	$1,153.20
Outlays	1,040.80
Revenues	932.80
Deficit	108.00
Debt subject to limit	2,565.1
Fiscal year 1989:	
Budget authority	1,217.90
Outlays	1,083.85
Revenues	993.95
Deficit	89.90
Debt subject to limit	2,777.1
Fiscal year 1990:	
Budget authority	1,261.60
Outlays	1,117.05
Revenues	1,066.75
Deficit	50.30
Debt subject to limit	2,964.2

CONFERENCE AGREEMENT BY FUNCTION

[Dollars in billions]

	1988	1989	1990
050 National Defense—High tier:			
BA	$296.00	$303.70	$311.00
O	289.50	292.30	299.20
(050 National Defense—Low tier:)			
BA	(289.00)	(294.80)	(297.90)
O	(283.60)	(288.00)	(292.00)

CONFERENCE AGREEMENT BY FUNCTION—Continued

[Dollars in billions]

	1988	1989	1990
150 International Affairs:			
BA	16.20	21.70	18.45
O	16.10	15.25	15.20
250 General Science, Space, and Technology:			
BA	11.30	13.50	15.00
O	11.10	13.00	14.60
270 Energy:			
BA	4.50	5.05	4.65
O	4.55	4.15	4.25
300 Natural Resources and Environment:			
BA	15.90	16.45	16.85
O	15.10	16.15	17.25
350 Agriculture:			
BA	29.45	29.95	25.55
O	28.60	26.10	22.35
370 Commerce and Housing Credit:			
BA	12.50	12.05	15.35
O	7.80	5.00	6.80
400 Transportation:			
BA	29.20	29.50	30.20
O	28.25	27.85	27.65
450 Community and Regional Development:			
BA	7.50	7.65	7.80
O	6.60	6.40	6.70
500 Education, Training, Employment, and Social Services:			
BA	36.45	38.05	39.25
O	32.90	35.70	37.50
550 Health:			
BA	45.65	49.75	54.20
O	44.85	49.45	53.70
570 Medicare:			
BA	92.85	102.30	113.05
O	81.60	89.45	99.95
600 Income Security:			
BA	168.60	176.65	183.15
O	131.45	139.00	144.60
650 Social Security:			
BA	256.80	281.50	310.60
O	220.75	235.40	252.00
700 Veterans Benefits and Services:			
BA	27.90	28.15	28.25
O	27.35	27.55	27.90
750 Administration of Justice:			
BA	9.60	9.55	9.50
O	9.35	9.55	9.55
800 General Government:			
BA	7.70	7.65	7.85
O	7.15	7.00	7.20
850 General Purpose Fiscal Assistance:			
BA	1.80	1.85	1.90
O	1.80	1.85	1.90
900 Net Interest:			
BA	139.25	143.30	144.55
O	139.25	143.30	144.55
920 Allowances:			
BA	−0.70	−0.30	0.35
O	−0.70	−0.55	0.05
950 Undistributed:			
A. Offsetting Receipts:			
BA	−40.60	−41.95	−43.55
O	−47.90	−41.90	−43.50

CONFERENCE AGREEMENT BY FUNCTION—Continued

[Dollars in billions]

	1988	1989	1990
B. Offsetting Receipts:			
BA	−14.65	−18.15	−32.35
O	−14.65	−18.15	−32.35
Grand Total Spending:			
BA	1,153.20	1,217.90	1,261.60
O	1,040.80	1,083.85	1,117.05
Revenues [1]	932.80	993.95	1,066.75
Deficit, OMB estimate	−108.00	−89.90	−50.30
(Deficit, CBO estimate)	(−133.85)	(−115.05)	(−72.25)

[1] Revenue estimates include an economic and technical adjustment for OMB assumptions.

HOUSE-PASSED BUDGET RESOLUTION

[Dollars in billions]

	1988	1989	1990
050 National Defense:			
Budget Authority	$288.70	$299.20	$310.60
Outlays	281.70	289.00	298.60
150 International Affairs:			
Budget Authority	16.35	22.05	18.75
Outlays	16.20	15.55	15.45
250 General Science, Space, and Technology:			
Budget Authority	10.25	10.75	11.25
Outlays	10.45	11.10	11.60
270 Energy:			
Budget Authority	3.25	4.15	4.20
Outlays	3.60	3.30	3.25
300 Natural Resources and Environment:			
Budget Authority	13.90	14.80	15.55
Outlays	13.80	14.55	15.75
350 Agriculture:			
BA	29.50	30.00	26.15
O	28.65	26.10	23.00
370 Commerce and Housing Credit:			
BA	12.70	12.60	15.85
O	8.10	5.55	7.10
400 Transportation:			
BA	28.35	29.05	30.10
O	27.95	27.95	28.35
450 Community and Regional Development:			
BA	7.60	7.75	7.90
O	6.70	6.50	6.80
500 Education, Training, Employment, and Social Services:			
BA	36.45	38.05	39.25
O	32.95	35.70	37.50
550 Health:			
BA	45.70	49.75	54.20
O	44.90	49.45	53.70
570 Medicare:			
BA	93.20	102.60	113.30
O	81.60	89.25	98.75
600 Income Security:			
BA	168.60	176.65	183.15
O	131.35	139.10	144.75
650 Social Security:			
BA	256.80	281.45	310.60
O	220.95	235.55	252.20

HOUSE-PASSED BUDGET RESOLUTION—Continued

[Dollars in billions]

	1988	1989	1990
700 Veterans Benefits and Services:			
BA	27.90	28.25	28.50
O	27.40	27.65	28.15
750 Administration of Justice:			
BA	9.20	9.35	9.50
O	9.00	9.30	9.50
800 General Government:			
BA	7.70	8.00	8.20
O	7.15	7.40	7.65
850 General Purpose Fiscal Assistance:			
BA	1.80	1.85	1.90
O	1.80	1.85	1.90
900 Net Interest:			
BA	139.10	142.45	143.60
O	139.10	142.45	143.60
920 Allowances:			
BA	−0.20	1.95	3.15
O	−0.20	2.05	3.40
950 Undistributed:			
A. Offsetting Receipts:			
BA	−40.35	−41.95	−43.55
O	−40.35	−41.95	−43.55
B. Offsetting Receipts:			
BA	−14.30	−17.85	−32.10
O	−14.30	−17.85	−32.10
Grand Total Spending:			
BA	1,142.20	1,210.90	1,260.05
O	1,038.50	1,079.55	1,115.15
Revenues	930.90	990.25	1,062.95
Deficit	−107.60	−89.30	−52.20

SENATE-PASSED BUDGET RESOLUTION

[Dollars in billions]

	1988	1989	1990	1991
050 National Defense (with Pay-For-Defense):				
Budget Authority	$301.50	$307.30	$310.40	$313.60
Outlays	290.60	295.00	299.00	303.00
050 National Defense (without Pay-For-Defense)				
Budget Authority	(289.00)	(294.80)	(297.90)	(301.10)
Outlays	(283.60)	(288.00)	(292.00)	(296.00)
150 International Affairs:				
Budget Authority	15.80	20.30	16.00	15.30
Outlays	15.80	14.30	13.30	11.30
250 General Science, Space, and Technology:				
Budget Authority	11.50	13.70	15.20	15.80
Outlays	11.20	13.10	14.80	15.50
270 Energy:				
Budget Authority	4.80	5.40	5.00	4.70
Outlays	4.80	4.50	4.60	4.20
300 Natural Resources and Environment:				
Budget Authority	16.00	16.50	16.90	16.80
Outlays	15.10	16.20	17.30	17.20
350 Agriculture:				
Budget Authority	29.40	30.10	25.50	22.20
Outlays	28.60	26.20	22.30	20.30
370 Commerce and Housing Credit:				
Budget Authority	12.20	12.40	15.40	12.80

SENATE-PASSED BUDGET RESOLUTION—Continued

[Dollars in billions]

	1988	1989	1990	1991
Outlays	7.50	5.40	6.80	4.80
400 Transportation:				
Budget Authority	29.40	29.60	30.30	30.90
Outlays	28.40	27.90	27.70	27.50
450 Community and Regional Development:				
Budget Authority	7.40	7.30	7.20	7.00
Outlays	6.70	6.40	6.50	6.30
500 Education, Training, Employment, and Social Services:				
Budget Authority	36.00	36.40	37.70	39.20
Outlays	32.90	35.90	36.90	38.20
550 Health:				
Budget Authority	45.10	48.00	51.80	56.00
Outlays	44.40	48.10	51.60	55.50
570 Medicare:				
Budget Authority	93.20	102.70	113.20	123.80
Outlays	80.10	89.10	99.80	111.30
600 Income Security:				
Budget Authority	168.00	175.50	181.50	215.20
Outlays	130.60	137.60	142.90	151.70
650 Social Security:				
Budget Authority	256.80	281.50	310.60	338.80
Outlays	220.70	235.40	252.00	269.70
700 Veterans Benefits and Services:				
Budget Authority	28.00	28.10	28.00	28.30
Outlays	27.40	27.50	27.70	27.90
750 Administration of Justice:				
Budget Authority	9.80	9.60	9.60	9.60
Outlays	9.50	9.60	9.60	9.60
800 General Government:				
Budget Authority	7.60	7.60	7.80	7.80
Outlays	7.10	7.00	7.20	7.10
850 General Purpose Fiscal Assistance:				
Budget Authority	1.80	1.70	1.80	1.80
Outlays	1.80	1.70	1.80	1.80
900 Net Interest:				
Budget Authority	139.20	142.20	142.50	140.30
Outlays	139.20	142.20	142.50	140.30
920 Allowances:				
Budget Authority	−0.30	0.00	0.60	1.20
Outlays	−0.60	−0.30	0.30	0.80
950 Undistributed Offsetting Receipts:				
Budget Authority	−40.40	−42.00	−43.60	−45.30
Outlays	−40.40	−42.00	−43.60	−45.30
Grand Total Spending (with Pay-For-Defense):				
Budget Authority	1,172.80	1,233.90	1,283.40	1,355.80
Outlays	1,061.40	1,100.80	1,141.00	1, 178.70
Revenues (with Pay-For-Defense)	927.80	995.40	1,084.70	1,181.70
Deficit, CBO estimate	−133.60	−105.50	−56.30	+2.70
(Deficit, OMB estimate)	(−107.80)	(−80.20)	(−33.60)	(−23.80)

Economic Assumptions

The Conferees accepted the economic assumptions used in the President's budget as the basis for the deficit estimates. These economic assumptions are shown in the table below. Rates of change have been adjusted to reflect revisions in economic data for 1986.

[Calender years, billions of dollars]

	1987	1988	1989	1990	1991
Annual averages:					
Gross National Product	4,493	4,816	5,165	5,524	5,879
(Percent change)	6.8	7.2	7.3	6.9	6.4
Real GNP (1982 dollars)	3,794	3,928	4,071	4,218	4,367
(Percent change)	3.2	3.5	3.6	3.6	3.5
GNP deflator (percent change)	3.5	3.5	3.5	3.2	2.8
CPI-W (percent change)	3.0	3.6	3.6	3.2	2.8
Civilian unemployment rate (percent)	6.8	6.4	6.1	5.9	5.7
3 month Treasury bill rate (percent)	5.4	5.6	5.3	4.7	4.2
Taxable incomes:					
Wages and salaries	2,210	2,371	2,546	2,716	2,885
Corporate profits (before tax)	309	341	377	411	444

These are the amounts that the deficits would have been had they been determined on the basis of the economic and technical assumptions reported to the Congress by the Congressional Budget Office:

Fiscal year 1988: $133,850,000,000.
Fiscal year 1989: $115,050,000,000.
Fiscal year 1990: $72,250,000,000.

CREDIT BUDGET RECOMMENDATIONS BY FUNCTION

[Dollars in billions]

	1988	1989	1990
150 International Affairs:			
Senate-passed:			
DL	$6.00	$5.80	$5.70
LG	9.00	9.40	9.80
House-passed:			
DL	6.85	7.15	7.35
LG	9.10	9.45	9.90
Conference:			
DL	6.70	7.00	7.20
LG	9.10	9.45	9.90
270 Energy:			
Senate-passed:			
DL	2.10	2.10	2.10
LG	7.30	.....	.....
House-passed:			
DL	1.90	2.05	2.10
LG	0.05	0.05	0.05
Conference:			
DL	2.10	2.10	2.10
LG	7.30	0.05	0.05
300 Natural Resources and Environment:			
Senate-passed: DL	0.10	0.10	0.10
House-passed: DL	0.10	0.10	0.10
Conference: DL	0.10	0.10	0.10
350 Agriculture:			
Senate-passed:			
DL	17.50	16.20	15.00
LG	8.50	9.00	9.00
House-passed:			
DL	17.35	16.15	15.00
LG	7.80	8.40	8.50
Conference:			
DL	17.45	16.20	15.00

CREDIT BUDGET RECOMMENDATIONS BY FUNCTION—Continued

[Dollars in billions]

	1988	1989	1990
LG	8.50	9.00	9.00
370 Commerce and Housing Credit:			
Senate-passed:			
DL	4.00	4.10	4.10
LG	91.60	93.90	98.80
House-passed:			
DL	3.95	4.20	4.35
LG	91.65	94.05	99.00
Conference:			
DL	4.00	4.10	4.10
LG	91.65	93.90	98.75
400 Transportation:			
Senate-passed: DL	0.40	0.20	0.20
House-passed: DL	0.40	0.25	0.20
Conference: DL	0.40	0.25	0.20
450 Community and Regional Development:			
Senate-passed:			
DL	1.10	1.10	1.10
LG	0.30	0.30	0.30
House-passed:			
DL	1.05	1.10	1.15
LG	0.35	0.35	0.35
Conference:			
DL	1.05	1.10	1.15
LG	0.35	0.35	0.35
500 Education, Training, Employment, and Social Services:			
Senate-passed:			
DL	1.70	1.70	1.80
LG	9.10	9.10	9.20
House-passed:			
DL	1.65	1.65	1.65
LG	9.05	9.15	9.15
Conference:			
DL	1.65	1.65	1.65
LG	9.10	9.10	9.20
550 Health:			
Senate-passed:			
DL	(*)	(*)	(*)
LG	0.30	0.30	0.30
House-passed:			
DL	0.05	0.05	0.05
LG	0.30	0.30	0.35
Conference:			
DL	0.05	0.05	0.05
LG	0.30	0.30	0.35
600 Income Security:			
Senate-passed: DL	+ (*)	+ (*)	+ (*)
House-passed: DL	+ (*)	+ (*)	+ (*)
Conference: DL	+ (*)	+ (*)	+ (*)
700 Veterans Benefits and Services:			
Senate-passed:			
DL	1.10	1.00	0.90
LG	30.40	28.40	30.70
House-passed:			
DL	1.20	1.10	1.00
LG	30[.40	28.40	30.70
Conference:			
DL	1.10	1.00	0.90
LG	30.40	28.40	30.70

CREDIT BUDGET RECOMMENDATIONS BY FUNCTION—Continued

[Dollars in billions]

	1988	1989	1990
Totals:			
Senate-passed:			
DL	34.00	32.30	31.00
LG	156.50	150.40	158.10
House-passed:			
DL	34.50	33.80	32.95
LG	148.70	150.15	158.00
Conference:			
DL	34.60	33.55	32.45
LG	156.70	150.55	158.30

*Less than $50 million

Reconciliation Instructions

The House resolution included reconciliation instructions to seven House committees to report legislation to achieve savings in fiscal years 1988–90. The House resolution also included directions to House Committee on Ways and Means to report legislation to increase revenues in fiscal years 1988–90. The Senate amendment contained instructions of this nature directed to 10 Senate committees and 10 House committees covering the period of fiscal years 1988–91. The conference agreement includes reconciliation instructions directed to 9 House committees and 9 Senate committees for the period of fiscal years 1988–90.

The House resolution required that instructed committees respond by June 10, 1987. The Senate amendment required instructed committees to report by May 14, 1987. The conference agreement provides that committees must report by July 28, 1987.

The conference agreement further instructed the Senate Committee on Finance to report changes in laws to increase the statutory limit on the public debt to an amount not to exceed $2,565,100,000,000.

RECONCILIATION IN CONFERENCE AGREEMENT BY HOUSE COMMITTEE

[Savings in billions of dollars]

	1988	1989	1990	1988-90
Conference agreement:				
Spending:				
BA	−2.394	−4.536	−6.755	−13.685
O	−3.976	−7.713	−11.318	−23.007
Contributions: CON	−7.218	−0.788	−0.788	−5.642
Revenues: REV	−19.300	−22.000	−23.000	−64.300
Total savings	−30.494	−28.925	−33.530	−92.949
Agriculture:				
Spending:				
Agriculture programs:				
BA	−1.200	−1.600	−2.650	−5.450
O	−1.200	−1.600	−2.650	−5.450
REA reforms:				
BA	−0.130	−0.130	−0.128	−0.388

RECONCILIATION IN CONFERENCE AGREEMENT BY HOUSE COMMITTEE—Continued

[Savings in billions of dollars]

	1988	1989	1990	1988-90
O	−0.130	−0.130	−0.128	−0.388
Total, spending:				
BA	−1.330	−1.730	−2.778	−5.838
O	−1.330	−1.730	−2.778	−5.838
Contributions: REA prepayment: CON	−7.218	−0.788	−0.788	−5.642
Total, Agriculture:				
BA	−1.330	−1.730	−2.778	−5.838
O	−8.548	−0.942	−1.990	−11.480
Banking:				
Unspecified reconciliation:				
BA	−0.200	−0.200	−0.200	−0.600
O	−0.200	−0.200	−0.200	−0.600
Total, Banking:				
BA	−0.200	−0.200	−0.200	−0.600
O	−0.200	−0.200	−0.200	−0.600
Education and labor:				
PBCG: [1]				
BA				
O	−0.100	−0.200	−0.200	−0.500
Total, Education and Labor:				
BA				
O	−0.100	−0.200	−0.200	−0.500
Energy and Commerce:				
Unspecified reconciliation:				
BA	−0.300	−0.300	−0.000	−0.600
O	−0.300	−0.300	−0.000	−0.600
NRC fees: [2]				
BA	−0.150	−0.150	−0.150	−0.450
O	−0.150	−0.150	−0.150	−0.450
Unspecified Medicare Provider reform: [3]				
BA				
O	−1.500	−2.950	−4.250	−8.700
Unspecified reconciliation:				
BA	−0.140	−0.250	−0.250	−0.640
O	−0.140	−0.250	−0.250	−0.640
Total, Energy and Commerce:				
BA	−0.590	−0.700	−0.400	−1.690
O	−2.090	−3.550	−4.650	−10.390
Interior:				
NRC fees: [2]				
BA	−0.150	−0.150	−0.150	−0.450
O	−0.150	−0.150	−0.150	−0.450
Unspecified reconciliation:				
BA	−0.030	−0.030	−0.030	−0.090
O	−0.030	−0.030	−0.030	−0.090
Total, Interior:				
BA	−0.180	−0.180	−0.180	−0.540
O	−0.180	−0.180	−0.180	−0.540
Merchant Marine and Fisheries:				
Sec. 32 (NOAA share):				
BA	−0.044	−0.044	−0.044	−0.132
O	−0.026	−0.041	−0.043	−0.110

RECONCILIATION IN CONFERENCE AGREEMENT BY HOUSE COMMITTEE—Continued

[Savings in billions of dollars]

	1988	1989	1990	1988–90
Coast Guard user fees:				
BA	−0.050	−0.050	−0.050	−0.150
O	−0.050	−0.050	−0.050	−0.150
Total, Merchant Marine and Fisheries:				
BA	−0.094	−0.094	−0.094	−0.282
O	−0.076	−0.091	−0.093	−0.260
Post Office and Civil Service:				
Federal pay and other:				
BA	−0.100	−1.752	−3.253	−5.105
O	−0.100	−1.782	−3.357	−5.239
Total, Post Office and Civil Service:				
BA	−0.100	−1.752	−3.253	−5.105
O	−0.100	−1.782	−3.357	−5.239
Ways and Means:				
PBCG: [1]				
BA				
O	−0.100	−0.200	−0.200	−0.500
Unspecified Medicare provider reform: [3]				
BA				
O	−1.500	−2.950	−4.250	−8.700
Subtotal, spending:				
BA				
O	−1.600	−3.150	−4.450	−9.200
Revenues	−19.300	−22.000	−23.000	−64.300
Total, Ways and Means:				
BA				
O	−20.900	−25.150	−27.450	−73.500
Veterans Affairs:				
Increase real property cash sales:				
BA	−0.050	−0.030	−0.000	−0.080
O	−0.050	−0.030	−0.010	−0.090
Total, Veterans Affairs:				
BA	−0.050	−0.030	−0.000	−0.080
O	−0.050	−0.030	−0.010	−0.090

[1] Reconciled to Ways and Means and Education and Labor; not double counted in total.
[2] Reconciled to Energy and Commerce and Interior; not double counted in total.
[3] Reconciled to Energy and Commerce and Ways and Means; not double counted in total.

RECONCILIATION IN CONFERENCE AGREEMENT BY SENATE COMMITTEE

[Savings in billions of dollars]

	1988	1989	1990	1988–90
Conference agreement:				
Spending:				
BA	−2.394	−4.536	−6.755	−13.685
O	−3.976	−7.713	−11.318	−23.007
Contributions: CON	−7.218	0.788	0.788	−5.642
Revenues: REV	−19.300	−22.000	−23.000	−64.300
Total Savings	−30.494	−28.925	−33.530	−92.949

RECONCILIATION IN CONFERENCE AGREEMENT BY SENATE COMMITTEE—Continued

[Savings in billions of dollars]

	1988	1989	1990	1988-90
Agriculture:				
Spending:				
Agriculture programs:				
BA	−1.200	−1.600	−2.650	−5.450
O	−1.200	−1.600	2.650	−5.450
REA reforms:				
BA	−0.130	−0.130	−0.128	−0.388
O	−0.130	−0.130	−0.128	−0.388
Total, spending:				
BA	−1.330	−1.730	−2.778	−5.838
O	−1.330	−1.730	−2.778	−5.838
Contributions: REA prepayment: CON	−7.218	0.788	0.788	−5.642
Total, Agriculture:				
BA	−1.330	−1.730	−2.778	−5.838
O	−8.548	−0.942	−1.990	−11.480
Banking:				
Unspecified reconciliation:				
BA	−0.200	−0.200	−0.200	−0.600
O	−0.200	−0.200	−0.200	−0.600
Total, Banking:				
BA	−0.200	−0.200	−0.200	−0.600
O	−0.200	−0.200	−0.200	−0.600
Commerce:				
Unspecified reconciliation:				
BA	−0.300	−0.300	−0.000	−0.600
O	−0.300	−0.300	−0.000	−0.600
Sec. 32 (NOAA share):				
BA	−0.044	−0.044	−0.044	−0.132
O	−0.026	−0.041	−0.043	−0.110
Coast Guard user fees:				
BA	−0.050	−0.050	−0.050	−0.150
O	−0.050	−0.050	−0.050	−0.150
Total, Commerce:				
BA	−0.394	−0.394	−0.094	−0.882
O	−0.376	−0.391	−0.093	−0.860
Energy and Natural Resources:				
Unspecified reconciliation:				
BA	−0.170	−0.280	−0.280	−0.730
O	−0.170	−0.280	−0.280	−0.730
Total, Energy and Natural Resources:				
BA	−0.170	−0.280	−0.280	−0.730
O	−0.170	−0.280	−0.280	−0.730
Environment and Public Works:				
NRC fees:				
BA	−0.150	−0.150	−0.150	−0.450
O	−0.150	−0.150	−0.150	−0.450
Total, Environment and Public Works:				
BA	−0.150	−0.150	−0.150	−0.450
O	−0.150	−0.150	−0.150	−0.450
Finance:				
PBGC: [1]				
BA				
O	−0.100	−0.200	−0.200	−0.500
Unspecified Medicare provider reform:				
BA				
O	−1.500	−2.950	−4.250	−8.700

RECONCILIATION IN CONFERENCE AGREEMENT BY SENATE COMMITTEE—Continued

[Savings in billions of dollars]

	1988	1989	1990	1988-90
Subtotal, Spending:				
BA				
O	−1.600	−3.150	−4.450	−9.200
Revenues	−19.300	−22.000	−23.000	−64.300
Total, Finance:				
BA				
O	−20.900	−25.150	−27.450	−73.500
Governmental Affairs:				
Pay and other management savings:				
BA	−0.100	−1.752	−3.253	−5.105
O	−0.100	−1.782	−3.357	−5.239
Total, Government Affairs:				
BA	−0.100	−1.752	−3.253	−5.105
O	−0.100	−1.782	−3.357	−5.239
Labor and Human Resources:				
PBGC:[1]				
BA				
O	−0.100	−0.200	−0.200	−0.500
Total, Labor and Human Resources:				
BA				
O	−0.100	−0.200	−0.200	−0.500
Veterans Affairs:				
Increase real property cash sales:				
BA	−0.050	−0.030	−0.000	−0.080
O	−0.050	−0.030	−0.010	−0.090
Total, Veterans Affairs:				
BA	−0.050	−0.030	−0.000	−0.080
O	−0.050	0.030	−0.010	−0.090

[1] Reconciled to Finance and Labor and Human Resources; not double counted in total

RECONCILIATION OF THE RURAL ELECTRIFICATION ADMINISTRATION LOANS

At the time of passage of this conference report, the Senate had passed a supplemental appropriations bill utilizing receipts from the prepayment of Rural Electrification Administration (REA) loans. The House-passed version of the supplemental bill contained no such provision. This conference report directs the anticipated savings from the REA loan prepayments to be achieved by the Agriculture Committees of the House and Senate, based on the situation existing at the time of the conference on the budget resolution, as reflected in the House-passed version of the supplemental appropriations bill. If any or all of the assumed REA savings are achieved in another legislative vehicle, then the conferees assume that the Agriculture Committees will be held harmless for the savings from the prepayment of REA loans that they will no longer be able to realize.

SCOREKEEPING IN THE SENATE

In the exercise of its scorekeeping duties, the Committee on the Budget of the Senate shall continue to develop its reports to the Senate regarding the status of particular bills and amendments based on the economic and technical assumptions of the Congressional Budget Office. The Committee on the Budget shall determine the aggregate levels of new budget authority, budget outlays, new spending authority, and revenues for a fiscal year on the basis of standard, consistent, defined adjustments to the Congressional Budget Office's estimates consistent with the adjustments underlying this budget resolution.

BANKING COMMITTEE RECONCILIATION

Function 450 assumes reconciliation of $200 million in budget authority and outlays to the Banking Committees in the House and Senate in each of fiscal years 1988–90. This reconciliation is intended to produce budget authority and outlay savings from direct spending programs under the jurisdiction of the Banking Committees, and therefore cannot be achieved through a reduction in discretionary authorizations for programs such as the Community Development Block Grant and the Urban Development Action Grant programs.

REVENUES

Revenue that results from spending decisions not within the jurisdiction of the tax-writing committees, such as an additional Internal Revenue Service appropriation, is not subject to, nor credited towards, reconciliation.

MISCELLANEOUS PROVISIONS

FUNDING FOR DEFENSE

The Senate amendment contained a procedure under which spending levels for function 050 (National Defense) would be increased if a reconciliation bill is enacted with additional revenues. The provision further directed that the Senate Committee on Finance and the House Committee on Ways and Means, as part of their reconciliation submissions, provide that revenue changes earmarked for defense increases shall not be effective unless the House and Senate Appropriations Committee report the higher defense funding levels.

The House resolution contained no similar provision.

The conference agreement contains a provision similar in effect to the Senate position, except that it does not contain the language directing that the Senate Committee on Finance and the House Committee on Ways and Means provide that the portion of revenue changes earmarked for defense increases shall not be effective unless the Appropriations Committees report the higher defense funding levels.

DETERMINATIONS OF WHETHER MAXIMUM DEFICIT AMOUNT IS EXCEEDED

The Senate amendment contained a provision expressing the sense of the Congress that any determination under section 311(a) of the Budget Act, with respect to whether a measure would cause the maximum deficit amount to be exceeded, would be based upon the economic and technical assumptions underlying the President's fiscal year 1988 budget as submitted.

The House resolution contained no similar provision.

The Senate conferees receded to the House position.

DEFICIT REDUCTION ACCOUNT

The House resolution provided that for fiscal years 1988 through 1990, specific amounts of revenues increased through legislation would only be used for purposes of deficit reduction and further directed the President to establish a separate account in the Treasury into which such revenues would be deposited.

The Senate amendment directed the Senate Committee on Finance and House Committee on Ways and Means to report legislation, as part of revenue reconciliation submissions, to establish a separate account in the Treasury into which revenues increased through reconciliation would be deposited, ensure that revenues deposited be used to retire Government debt obligations, and ensure that revenue increases reconciled not be effective if either the House or Senate Appropriations committees exceed their allocations under section 302(b) of the Budget Act. The Senate amendment further provided that the deficit reduction account legislation directed would not be considered extraneous to a reconciliation bill under Senate rules.

The conference agreement contains a provision similar to the Senate provision with the exception of excluding the requirement that reconciled revenues would not be effective if Appropriations Committee 302(b) allocations are exceeded.

SALE OF GOVERNMENT ASSETS

The Senate amendment included a provision expressing the sense of the Congress that, from time to time, the Government should sell assets to non-governmental buyers, but noted amounts realized from such sales are not recurring and do not reduce the demand for credit. The provision further included language in subsection (c) allowing the Senate to provide for specific asset sales if it so desired. The Senate amendment also provided that amounts realized from the newly-authorized sales would not be treated as revenues, receipts, or negative outlays for purposes of certain Budget Act enforcement and scorekeeping procedures.

The House resolution contained no similar provision.

The conference agreement is similar to the Senate position except that it does not contain language allowing the Senate to provide for specific sales, and except that it specifically distinguishes the treatment of prepayments under the following section.

BUDGETARY TREATMENT OF LEGISLATION AUTHORIZING THE PREPAYMENT OF CERTAIN LOANS

The Senate amendment contained a provision stating that when legislation authorized waivers of prepayment penalties on certain Government guaranteed loans and allows repayment with new guaranteed loan, proceeds from such prepayments would be scored as revenues rather than negative outlays for purposes of reconciliation and would remain unassigned to committees for purposes of allocation and enforcement under section 302 of the Budget Act.

The House resolution contained no similar provision.

The conference agreement contains a provision similar to the Senate provision except that contributions from the prepayment would not be counted as revenues.

FUNDING FOR WELFARE REFORM INITIATIVE

The Senate amendment contained a procedure under which specific amounts of new budget authority and outlays for the child care and job training initiative assumed in the resolution would be withheld from allocation to committees until such time as the approrpiate committees of the House of Representatives or Senate report legislation that would, if enacted, make funds available for such initiative.

The House resolution contained a provision that stated it would be approrpiate for the House Committee on Ways and Means to increase outlays for programs within its jurisdiction if the committee also increased revenues or decreased outlays in an offsetting amount.

The conference agreement contains a provision similar to the Senate provision that would apply only in the Senate and the identical House provision that would apply only in the House.

FUNDING FOR MEDICARE CATASTROPHIC HEALTH INSURANCE INITIATIVE

The Senate amendment contained a procedure under which budget authority and outlays for the Medicare catastrophic health insurance initative, assumed to be deficit neutral, would be allocated to the appropriate committees of the House of Representatives and the Senate and aggregates adjusted accordingly when legislation is reported ensuring the deficit-neutrality of such an initiative and legislation is reported that would, if enacted, make funds available for such an initiative.

The House resolution contained a provision that stated it would be appropriate for the House Committee on Ways and Means to increase outlays for programs within its jurisdiction if the committee also increased revenues or decreased outlays in an offsetting amount.

The conference agreement contains a provision similar to the Senate provision that would apply only in the Senate and the identical House provision that would apply only in the House.

MEDICARE SAVINGS

The Senate amendment contained a provision stating the assumption that the Senate Committee of Finance and the House

Committees on Ways and Means and Energy and Commerce would achieve Medicare savings assumed in the resolution without increasing premiums or deductibles or delaying eligibility or othewise raising beneficiary out-of-pocket costs.

The House resolution contained a similar provision.

The House conferees receded to the Senate position.

SENSE OF SENATE ON INCOME TAX RATES

The Senate amendment contained a provision expressing the sense of the Senate that the assumptions underlaying the revenue levels in the resolution will not be achieved by raising or delaying the individual or corporate income tax rates enacted in the Tax Reform Act of 1986.

The Houses resolution contained no similar provision.

The House conferees receded to the Senate position.

RURAL HOSPITALS MEDICARE PROGRAM

The Senate amendment contained a provision expressing the sense of the Congress that any legislation that amends the Medicare program to reconcile its expenditures with those required in the budget resolution should take into account the special needs of rural hospitals which are not currently taken into account under the Medicare hospital prospective payment system.

The House resolution contained no similar provision.

The House conferees receded to the Senate position.

FUNCTIONAL LANGUAGE

FUNCTION 050

The managers expressed concern over the ability of the U.S. industry to support the needs of defense as well as to compete in the world economy. The United States may well be at a turning point today in terms of economic competitiveness and technological superiority. The U.S. semi-conductor industry is a significant example of a crucial industry currently facing these difficulties. In response, funding is provided within this budget to begin addressing the problems in the semi-conductor industry and certain other manufacturing technologies.

The budget allocation for National Defense includes funds required for the continuation of the congressionally initiated modernization of the National Guard and Reserve.

The conference recommendation assumes that within the funds available in this function, funding will be made available sufficient to pursue a vigorous Defense Waste and Transporation Management Program to provide for the cleanup, interim storage, transportation, and disposal of radio active and hazardous wastes at the several affected sites (including Hanford and Savannah River among others.)

FUNCTION 150

Foreign assistance

The conferees assume the 1988–1990 program levels for the discretionary appropriated accounts are set at the 1987 level. In addition, the conferees assume an overall reduction in foreign aid outlays of less than 32 percent. Committees of jurisdiction could choose to consolidate and reduce less effective economic and military assistance programs, particularly those with large unobligated or unexpended balances, to achieve these savings. The conferees assume these reductions could be incorporated without reducing the level of assistance to those countries covered by the Camp David accords.

Guarantee reserve fund

The conferees remain concerned that the resources of the Foreign Military Sales Guarantee Reserve Fund will not be adequate to make required payments to the Federal Financing Bank for anticipated defaults and reschedulings of Foreign Military Sales loans in 1988. In order to ensure that the Guarantee Reserve Fund will be able to meet its obligations to the Federal Financing Bank, the conferees intend that for all scorekeeping purposes $0.5 billion of the total amount available in Function 150 shall be treated as mandatory spending to replenish the Guarantee Reserve Fund.

FUNCTION 250

The totals assumed for the Department of Energy's general science programs are sufficient to fund the Budget Request for the Superconducting Supercollider. The conferees anticipate that the budget submittals for fiscal year 1989 and beyond will reflect the construction schedule proposed for the Superconducting Supercollider, without adversely affecting funding for other programs in this function.

FUNCTION 270

The managers assume that no changes will bne made in the reconciliation bill that would result in increasing the rates charged by DOE's Power Marketing Administrations (PMA's)—such as legislated changes to the repayment schedule, or to the interest rates due on PMA debt.

FUNCTION 350

The Conference recommendation assumes that, to the extent feasible in determining these program changes, the Agriculture Committee will not make reductions in programs which promote and enhance the export of agriculture commodities.

The conference agreement assumes the House budget authority levels for fiscal years 1988 through 1990, the Senate outlay level for fiscal year 1988, and House outlay levels for fiscal years 1989 and 1990.

The Senate conferees assume $134 million in budget authority and $11 million in outlays to increase funding for the Job Corps in fiscal year 1988.

The conferees urge the appropriate committees of jurisdiction to continue assisting business-education consortia in ameliorating enrollment declines of graduate minority students.

The Immigration and Control Act of 1986 established a State Legalization Impact Assistance grant program to help states code with the cost incurred due to the participation of legalized aliens in programs of public assistance. The Conferees encourage the appropriate committees of jurisdiction to consider the fiscal impact on States of the Federal administrative offset, and give thought to providing the appropriation of $1 billion to the states for each fiscal year 1988 through 1991.

The Senate conferees recognize a consensus to effectively improve the delivery of public assistance services to dependent children, the chronically unemployed, and individuals working to become self-sufficient. To finance welfare reform and job retraining initiatives, in the Senate, funds in fiscal years 1988 not to exceed the following amounts shall be allocated to the appropriate committees when legislation to achieve these objectives is reported:

Fiscal Year 1988:

Budget Authority, $900,000,000.

Outlays, $300,000,000.

To finance child care initiatives, in the Senate, funds in fiscal years 1988 not to exceed the following amounts shall be allocated to the appropriate committees when legislation to achieve this objective is reported:

Fiscal Year 1988:

Budget Authority, $150,000,000.

Outlays, $110,000,000.

The House conferees assume no reserve funds in this function.

FUNCTION 550

The conference agreement provides for an increase of $0.55 billion in 1988 and $2.4 billion over three years for Medicaid initiatives to combat infant mortality and to address the needs of the elderly poor and working welfare recipients. This amount could also accommodate an increase in Medicaid funding for insular areas to cover inflation since the last adjustment was made.

Recognizing the crisis nature of the AIDS epidemic, the conference agreement provides for a significant funding increase to combat AIDS, the nation's number one public health priority.

FUNCTION 570

The conference agreement on the budget resolution provides for enactment of new Medicare catastrophic health insurance on a deficit neutral basis.

It is the sense of the conferees that reconciled Medicare savings will be achieved through continued restraint and reform in payments to providers, not through reductions in benefits or increases in beneficiary out-of-pocket costs.

FUNCTION 600

The Conference report assumes the baseline amount for refugee and entrant assistance and that $48 million be used for the refugee targeted assistance program.

FUNCTION 650

The conferees wish to make it clear that none of the savings in Function 650 are assumed to come from reductions in Social Security beneficiary payments or from reductions in personnel costs or the closing of offices of the Social Security Administration.

FUNCTION 700

The conference agreement provides for $27.90 billion in budget authority and $27.35 billion in outlays for veterans benefits and services in fiscal year 1988. The agreement provides for full inflation for medical care, and full COLAs for veterans disability compensation and pensions. The agreement reconciles savings of $50 million in fiscal year 1988 ($90 million over three years) to be achieved through increased cash sales of real property, not affecting veterans benefits or services in any way.

LAWTON CHILES,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
JIM SASSER,
DONALD W. RIEGLE, JR.,
J. JAMES EXON,
Managers on the Part of the Senate.

WILLIAM H. GRAY III,
THOMAS S. FOLEY,
MIKE LOWRY,
BUTLER DERRICK,
MARTIN FROST,
VIC FAZIO,
MARTY RUSSO,
JAMES L. OBERSTAR,
MIKE ESPY,
Managers on the Part of the House.

○

NOTICE: In lieu of a star print, errata are printed to indicate corrections to the original report.

100TH CONGRESS *1st Session* | SENATE | REPORT 100-76

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1988

JUNE 18, 1987.—Ordered to be printed

Mr. CHILES, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. Con. Res. 93]

ERRATA

On page 11, section (21)(A), line 15 (Fiscal Year 1990), change "$37,150,000,000" to "−$37,150,000,000".

On page 11, section (21)(A), line 16 (Fiscal Year 1990), change "$37,150,000,000" to "−37,150,000,000".

On page 11, section (21)(B), line 2 (Fiscal Year 1988), change "$14,650,000,000" to "−$14,650,000,000".

On page 11, section (21)(B), line 3 (Fiscal Year 1988), change "$14,650,000,000" to "−$14,650,000,000".

On page 11, section (21)(B), line 8 (Fiscal Year 1989), change "$18,150,000,000" to "−$18,150,000,000".

On page 11, section (21)(B), line 9 (Fiscal Year 1989), change "$18,150,000,000" to "−$18,150,000,000".

On page 11, section (21)(B), line 14 (Fiscal Year 1990), change "$32,350,000,000" to "−$32,350,000,000".

On page 11, section (21)(B), line 15 (Fiscal Year 1990), change "$32,350,000,000" to "−$32,350,000,000".

On page 29, Function 700, line 7 (House-passed LG), change "30[.40" to "30.40".

91-010

S253-2

On page 30, chart on Reconciliation in Conference Agreement by House Committee, line 5 (Contributions: CON), change "−0.788 −0.788" to "0.788 0.788".

On page 31, line 5 of continued chart (Contributions: REA prepayment: CON), change "−0.788 −0.788" to "0.788 0.788".

On page 32, line 12 of continued chart (Total, Post Office and Civil Service: BA), change "−5,105" to "−5.105".

On page 35, paragraph 4, line 8, change "Committee" to "Committees".

On page 37, paragraph 1, line 4, change "loan" to "loans".

On page 38, line 3, change "othewise" to "otherwise".

On page 38, section on Sense of Senate on Income Tax Rates, line 2, change "underlaying" to "underlying".

On page 39, paragraph 1, line 4, change "32" to "3".

On page 39, paragraph 4, line 1, change "bne" to "be".

On page 39, after paragraph 5, insert the heading "FUNCTION 500".

On page 40, paragraph 3, line 2, change "code" to "cope".

NOTE

In addition to the printing errors noted above, the conference report agreed to states "$788,000,000" where it should state "−$788,000,000" in the reconciliation instructions to the Agriculture Committees on page 12, paragraph (b), line 10; on page 12, paragraph (b), line 12; on page 14, paragraph (k), line 10; and on page 14, paragraph (k), line 11. The Agriculture Committees will be held harmless for the contributions that this error instructs them to realize in the out-years.

○